

From Vacancy

**Setting the Stage for
Higher Returns**



In this Module

Goal #1: 0% vacancy rate

Marketing pre-vacancy

Curb appeal

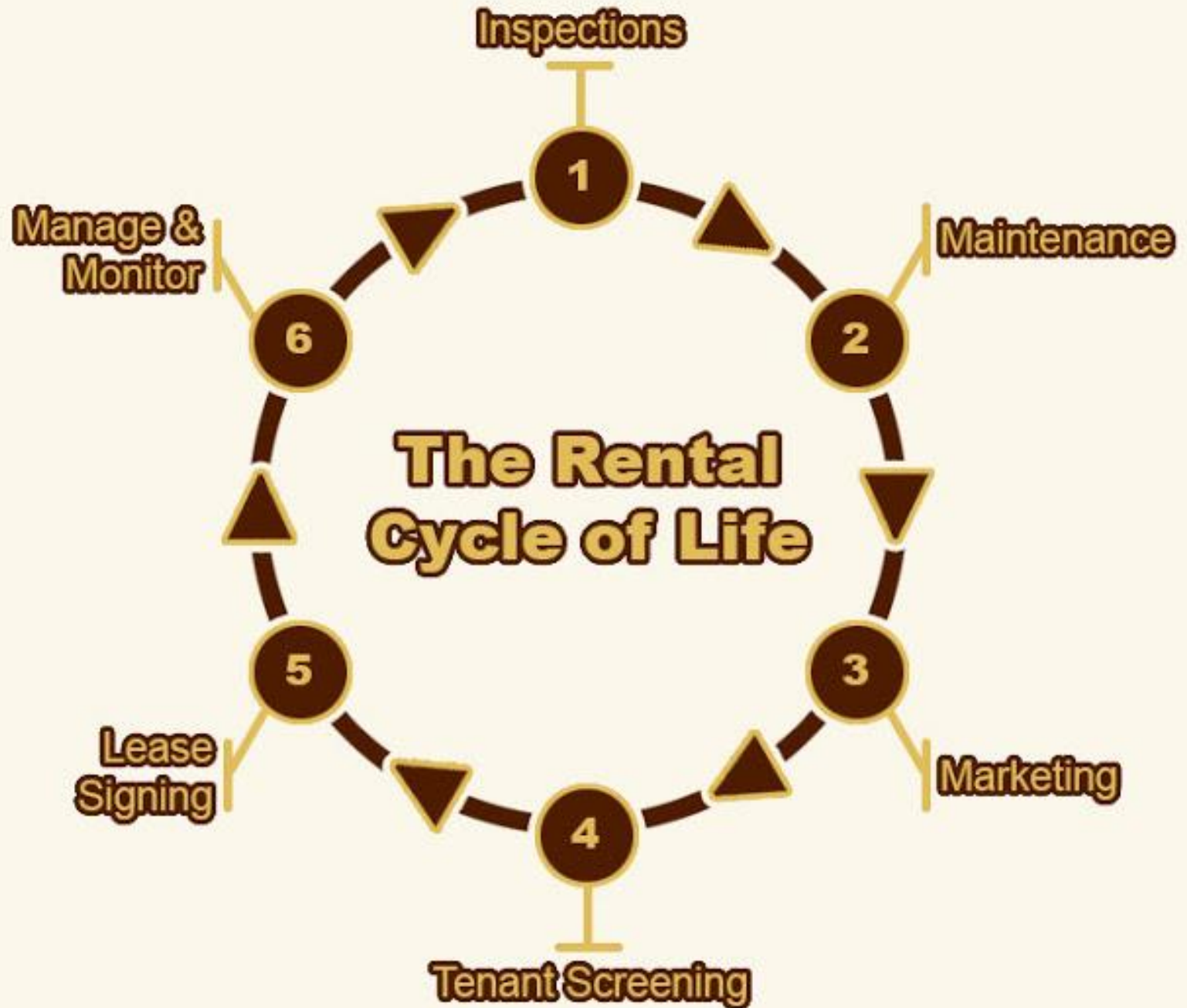
Tenant-proofing tips

The 1-day turnover

Amenities for the win

**What's NOT
on this cycle
diagram?**

Vacancy!



No Vacancy!

Vacancies are lost money!

Read: where returns go to die

Minimizing them is your #1 goal

...but #2 priority – your first priority is placing long-term, low-maintenance, high-ROI renters (more in Module 3)



Pre-Vacancy Planning

Start marketing 4-6 weeks before your outgoing tenants vacate

Use your old photos of the property while vacant!

Pre-Vacancy Planning

This requires cooperation from your outgoing tenants

Be polite but firm – ask them to keep the property spotlessly clean, and give them at least 24-48 hours notice before showing

Show when they're not home, if possible

Pre-Vacancy Planning

Use lease clauses to require cooperation with showing the property and keeping it clean for showings, with penalties for violation

(More on this in Module 3)

Curb Appeal



Curb Appeal

First impressions matter – a lot

Humans subconsciously decide whether we like people, places and things within seconds

Malcolm Gladwell: under 2 seconds!

Decisions made subconsciously by emotion, then justified consciously with logic

Curb Appeal

If your property has a front lawn, make sure it's mown and properly landscaped

Urban? No front lawn?

Add a few potted plants/shrubs!

Curb Appeal

Rear lawns & gardens: not as critical, but still important

Require tenants to mow lawn weekly

Consider trimming bushes/shrubs/trees

If the renters didn't take care of the garden, cover it with garden soil

Curb Appeal

Peeling paint not OK – scrape and repaint if necessary

Front door should shine. Literally.

Either clean it thoroughly, paint it, or refinish/lacquer it if it's wood.

Curb Appeal

Front Lighting: Make sure the front entrance has bright, warm lighting

Makes a better first impression for after-dark showings

Feels safer & more welcoming

Interior Upgrades & Amenities

...on the cheap



Interior Upgrades & Amenities

We'll cover this in detail in the last module (full circle!), but here's food for thought in the meantime:

- Keep a pulse on your renters' dream amenities. Ask them!**
- Keep a pulse on your competitors' amenities**

Interior Upgrades & Amenities

If you're far behind, invest the money and renovate. Catch up to your competition properly

But sometimes you just need a little sprucing up!

Kitchens & Bathrooms: Overview

Kitchens & bathrooms = visceral (literally)

How do your kitchen and bathroom(s) compare to other units in the neighborhood?

**Expensive renovations are a last resort!
Here are some easy & cheap ideas to spruce up kitchens and bathrooms:**

Kitchen & Bathroom Update Ideas

- **New cabinet hardware**
- **Paint the cabinets (usually white or off-white, but don't be afraid to ask friends with good taste for an opinion)**
- **Replace the faucet (makes a huge difference, and isn't that hard to do yourself)**



Kitchen & Bathroom Update Ideas

Lights:

- **New light bulbs with warmer or cooler color temperature**
- **New light fixtures**
- **Swap out outlet covers and light switch plates – you can buy high-end ones and replace them yourself with a screwdriver, no handyman knowledge required!**

Kitchen & Bathroom Update Ideas

Countertops:

- **cover with a wooden butcher block or large cutting board**
- **replace the laminate coatings but not the counters, or paint them all black with strong primer for plastic and oil-based glossy black paint**

Kitchen & Bathroom Update Ideas

Countertops:

- **Add a suspended or counter-top wine rack**
- **Add an upscale wooden or bamboo dish rack (that reasonably matches the wine rack)**

Kitchen & Bathroom Update Ideas

Floors:

- **Buy a plush bathroom throw rug to cover most of the bathroom floor if it's plain/outdated**
- **Buy a throw rug to cover most of the kitchen floor if it's plain/outdated**

Kitchens & Baths: Final Thoughts

When in doubt:

Grab the most qualified, tasteful person you know and ask them: “If you had (\$250/\$500/\$1,000) to spend on improving the kitchen and/or bathrooms, how would you spend it to maximum effect?”

Gimmicks & Differentiators



Hooks, Gimmicks & Creative Touches

Your property should be competitive with other properties in the neighborhood on the fundamentals.

But you want a final unfair competitive advantage to attract better-than-average renters and rents.

Hooks, Gimmicks & Creative Touches

Review all the other rental listings in the neighborhood.

Look for ideas, for “hooks” that a few of these competing units have that stand out.

Hooks, Gimmicks & Creative Touches

Exercise: Brainstorm 30 ways you can make your rental listing stand out among all the others in the market.

Your first 15-20 ideas will be more mainstream, but eventually you'll run out of conventional ideas and will start coming up with more unique ideas.

Hooks, Gimmicks & Creative Touches

When you've finished, review your list and look for ROI, the most bang for the buck: what's cheap to buy/install, but will draw attention and renters like a magnet?

Starter Ideas for Hooks & Gimmicks

Make it a “smart home” by adding a smart thermostat and 1-2 other smart home features:

- **smart locks**
- **smart smoke detectors**
- **smart security monitoring system**
- **smart coffee maker**
- **etc.**

Starter Ideas for Hooks & Gimmicks

Make it a “green home” by adding a smart thermostat and 1-2 other green features:

- **smart security system (double duty!) with air quality monitoring**
- **smart sprinkler**
- **personal device solar charger (\$100)**
- **upgraded insulation (high ROI).**

Starter Ideas for Hooks & Gimmicks

Basement Trick: If you have a dusty, cramped, unfinished basement, add a large wine rack and call it a “wine aging cellar.”

Add a shoe rack to the master closet and another by the front door (added bonus – lower impact on your flooring)

Tenant- Proof

**Fortify your
castle!**



Flooring

Hardwood floors are:

- **Expensive**
- **Delicate & easily scratched**

Read: BAD FOR BUSINESS as a landlord

Carpeting?

- 1. Hold stains**
- 2. Hold pet fur and dander (allergy alert)**
- 3. Wear through quickly**
- 4. Must be replaced between most tenancies (\$1.5-3K+ cost)**

So, if not carpets, and not hardwood...WHAT????

Flooring

Bamboo & High-Grade Laminate:

Cheaper than hardwood

Harder and more scratch-resistant than most hardwoods

More moisture- and mold-resistant

Doesn't stain, wear, or hold allergens like carpet

Carpet Rules



Flooring

If you MUST use carpets...

- **Darker colors and patterns / speckles hide stains! Use your best judgment, but go as dark and/or as patterned as you can get away with in your specific units.**
- **Use the Padding Trick!**

Flooring

High-end padding creates the illusion of plushness.

It also doesn't stain/need to be replaced as often!

Use a durable, higher-end padding such as Rebound. Stay away from foam!

For lower-end units, use lower-grade carpets. The higher-end padding will make it feel decent.

**Tenant-Proofing:
Glossy Paint**



Use Washable Paint

Gloss and semi-gloss paint is washable!

Not much more expensive

Average Paint Cost: \$30 - \$60 per gallon

Behr and Glidden are decent brands and a semi-gloss white is \$28 bucks +/-

Note: Neutral pre-mixed colors are less expensive

The 1-Day Turnover



The One-Day Turnover

Goal: 24 hours of vacancy

Those 24 hours are spent:

- 1. Cleaning the unit**
- 2. Touch-up painting (wash the rest!)**
- 3. Any other needed repairs**

Order of Operations

Painting = second-to-last thing done

(other repairs & commotion will otherwise scratch and scuff up the new paint)

The last thing done = flooring replacement, refinishing or deep cleaning.

If you're putting in new carpet or floors, you don't want any paint getting on it!

The One-Day Turnover

Bonus Benefit: seamless utility transfer

If new renters move in the day after old tenants move out, you never have to put the utilities in your name 😊

Can move directly from renter to renter. Saves you a lot of hassle!

**Wrap It
Up!**



WE ARE ALL MATURE

**UNTIL SOMEBODY BRINGS OUT
SOME BUBBLE WRAP**

Wrapping It Up

Goal: one-day turnover

Requires: planning & marketing 4-6 weeks BEFORE tenants move out!

Add curb appeal by keeping the lawn mowed, the landscaping maintained and the front door gleaming

Wrapping It Up

Look for inexpensive ways to spruce up the kitchen and bathrooms, without a complete renovation

Get creative with hooks & differentiators, without spending much money!

Wrapping It Up

Tenant-proof your property as much as possible with tougher flooring & washable walls

...but save painting and flooring for last

Bigger Picture – ADE

Vacancies are labor-intensive and expensive

The work can't be automated, and most of it can't be delegated

Why our focus is on ELIMINATING:

Bigger Picture – A.D.E.

Why our focus is on ELIMINATING:

- **Maintenance/repair work (paintjobs, new carpet, etc.)**
- **Vacant periods (remember, 24 hours!)**
- **Future turnovers: by attracting the best possible tenants**

Coming Up Next

Cash-Cow Renters:

- **Advertising tips & tricks to attract the best possible applicants**
- **How to identify long-term, low-maintenance, high-ROI renters**
- **Being better at tenant screening than your competitors (and why it's so critical to your bottom line)**

Module 1 Out

See You on the Flipside!

